

Record No. 2011-1344

**In the United States Court of Appeals
for the Federal Circuit**

In re Naren Chaganti

On appeal from the Board of Patent Appeals and
Interferences

Appellant's Informal Reply Brief

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APPELLANT'S REPLY

- I. The PTO erred as a matter of law when it asserted that a "special definition" is required accord the status to a patent applicant that of a "lexicographer."

In *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (*en banc*), the Court held:

The Patent and Trademark Office ("PTO") determines the scope of the claims in patent applications not solely on the basis of claim language, but upon giving claims their **broadest reasonable constructions** in light of the specification as it would be interpreted by one having ordinary skill in the art. ... Indeed, the rules of the PTO require that application claims must "conform to the invention as set forth in the remainder of the specification and the terms and phrases used in the claims must find clear support or antecedent basis in the description so that the meaning of the terms in the claims may be ascertainable by reference to the description."

Id., at 1316 (Emphasis added). The word "reasonable" leaves room for a patentee to be his own lexicographer and permits use of intrinsic evidence to redefine the claim terms. In *Phillips*, the Court held that in attempting to give meaning to the inventor's language, the Court "looks to those sources available to the public that show what a person of skill in the art would have understood disputed claim language to mean." Among those sources are: (i) the words of the claims themselves; (ii) the remainder of the patent's specification; (iii) the prosecution history of the patent; (iv) extrinsic evidence concerning relevant scientific principles; (v) the common meanings of technical terms used; and (vi)

the state of the art at the time of the invention. *Id.*, at 1314. Claim terms must be construed in light of the entirety of the patent, not just in the context of the particular claim(s) they appear. *Id.* at 1313. In other words, claim language must be read in conjunction with the more general and descriptive specification portion of the patent; indeed, the specification is often "the single best guide to the meaning of a disputed term." *Id.* at 1315.

Following the federal circuit law, the Manual of Patent Examining Procedure (M.P.E.P.) at § 2111 provides that the claims should be given the "broadest reasonable interpretation" during examination. But the law does not permit the Examiner to give claim terms the broadest "possible" interpretation. Moreover, nothing in the law provides that the Examiner may disregard the specification and apply the "plain" meaning analysis to claim interpretation.

The PTO, relying on an excerpt from *Laryngeal Mask Co. Ltd v. Ambu*, 618 F.3d 1367, 1372 (Fed. Cir. 2010), argues that the applicant *must* provide a "special definition" in order to claim the status of a lexicographer. This view is misplaced.

In *Laryngeal Mask*, the Court held that though a "special definition" is preferred, the lexicographer rule nevertheless applies where the specification clearly indicate the patentee's intent to give a special or unique meaning to the term. *Id.*, (citing *Helsderfer v. Bobrick Washroom Equip., Inc.*, 527 F.3d 1379, 1381 (Fed. Cir. 2008) ("A patentee may act as its own lexicographer and assign to

a term a unique definition that is different from its ordinary and customary meaning; however, a patentee must clearly express that intent in the written description.")

Accordingly, contrary to the PTO's argument that only a "special definition" is required, the correct test is an expression of a clear intent on the part of the applicant to depart from the ordinary and customary meaning of a term.

This being an error of law, the PTO should be reversed.

II. The PTO erred in not considering the Specification

In addition to a legal error discussed above, the PTO erred in not reviewing the Specification for any clear intent of the applicant to exclude stocks and bonds. The Specification states as follows:

It should be understood that though the above-mentioned description appears similar to the activities of the governance of a corporation, there are significant differences between the two. Here, the asset is non-corporate. Additionally, according to the present invention, trading shares in an electronic communication medium involves subject matter other than a corporate stock, bond, option, or futures contracts to delivery of commodities—the present invention pertains to intangible property; personal property rights; unique or special objects; or services—the subject matter, the kind of which, is currently not tradeable in a market place.

Specification, at p. 9 (Emphasis added). Indeed, the "Background of the Invention" section sets forth the departure from the known forms of markets as follows:

Markets exist today for many forms of property. The New York Stock Exchange and the National Association of Securities Dealers Quotation System (NASDAQ) provide market place for trading securities such as common and preferred stocks, and warrants on sale or purchase of stocks. The Chicago Board of Exchange (CBOE) and other market places provide a forum for sale and exchange of options and future interests in several securities and commodities such as wheat, soybeans, frozen concentrated orange juice, and pork bellies. Recently, the CBOE has started trading in electricity delivery contracts.

However, no publicly tradeable stock marketplace exists for the sale of certain non-corporate, non-commodity forms of property, for example, intangible property such as a patent, a trademark, a copyright in a painting, goodwill, licenses, leases, easements, rights, a seafaring route such as the right to navigate the Suez Canal, and other similar rights; personal rights such as a right to future income of a person; special objects such as collectibles; and services such as a musician's concert recital time or a babysitter's time, which are described and discussed in relation to the invention herein.

See Specification, at p. 1 (Emphasis added). Given such clarity and intent of the applicant to give a different meaning to the term "intangible," there is no warrant for the conclusion that "the Specification does not define that term, such that it excludes stocks".

Nothing more can be clear to alert anyone who reads the specification that the subject matter of the claimed invention is not the same as "stocks, bonds and options" sold in the New York Stock Exchange. No person of skill in the art will be confused by the term "intangible" and misconstrue it to include what is expressly excluded.

Insofar as the PTO's construction is contradicted by the specification, such contradictory interpretation cannot stand. *See Frank's Casing Crew & Rental Tools, Inc. v. Weatherford Int'l, Inc.*, 389 F.3d 1370, 1377 (Fed. Cir. 2004) ("If possible, this court construes claim terms in a manner that renders the patent internally consistent.") (citation and internal quotations omitted).

The PTO, being in error, should be reversed.

III. The dependent claims should have been allowed

The PTO did not respond to the dependent claims, and restricted its argument only to the independent claims. The dependent claims should have been allowed because the PTO did not find any prior art sufficiently enabled to invalidate the claims. This error should be remedied.

Respectfully submitted,


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Dated: December 10, 2011


/s/ /Naren Chaganti/

Naren Chaganti